



CITY OF DURHAM | NORTH CAROLINA

Date: January 7, 2016

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Marvin G. Williams, Director of Public Works
Subject: Citizens Matter – Fred White and Thelma White – Emorywood Orchards – **Struggling and Failed Development Program (Category 3)**

Executive Summary

Emorywood Orchards is one of the remaining subdivisions in the Failed and Struggling Development Program(see background) left to be completed. Public Works has been working diligently for the last 5 years with the property owners, potential developers / investors and homeowners to consider Emorywood Orchards as a viable candidate for completion (providing information, easements, walkthroughs, and infrastructure completion punch-lists to over 16 potential developers US wide). Emorywood Orchards is a 93 lot, 3 phase subdivision, with 43 potential lots remaining and requires the completion of street and stormwater infrastructure. The lots are currently owned by First Tennessee Bank (formerly known as Trust Atlantic Bank). Currently a developer is considering the purchase of the project to complete the development but has not finalized or closed on the property. This will be the 7th potential opportunity for the project at the closing table.

In the event that the developer moves ahead with the project, Public Works would work with the new developer on establishing traffic routes and protecting existing City of Durham infrastructure. A developer would not be responsible for standard wear and tear on existing City street infrastructure.

Background

Since late 2008, the economy has drastically changed the manner in which the construction and housing industries operate. These changes resulted in a country-wide decline in new home sales and overall commercial developments. In addition, banking and financial markets which provided financial assistance to developers, builders, and owners, have undergone changes that have resulted in an environment that is inherently unstable for these customers. This instability created situations in which some developers are no longer able to sustain developments and are forced to close their businesses or restructure their companies. As a result of the company closings and restructurings, some developers have not completed the street, sidewalk, and stormwater facility infrastructure required for developments.

In response to this situation, the Failed and Struggling Development Program was created in early 2009. The Public Works Department was assigned to oversee this program to assure the completion of required infrastructure.